



# *Fiscal Year 2003 Reduction Strategy*

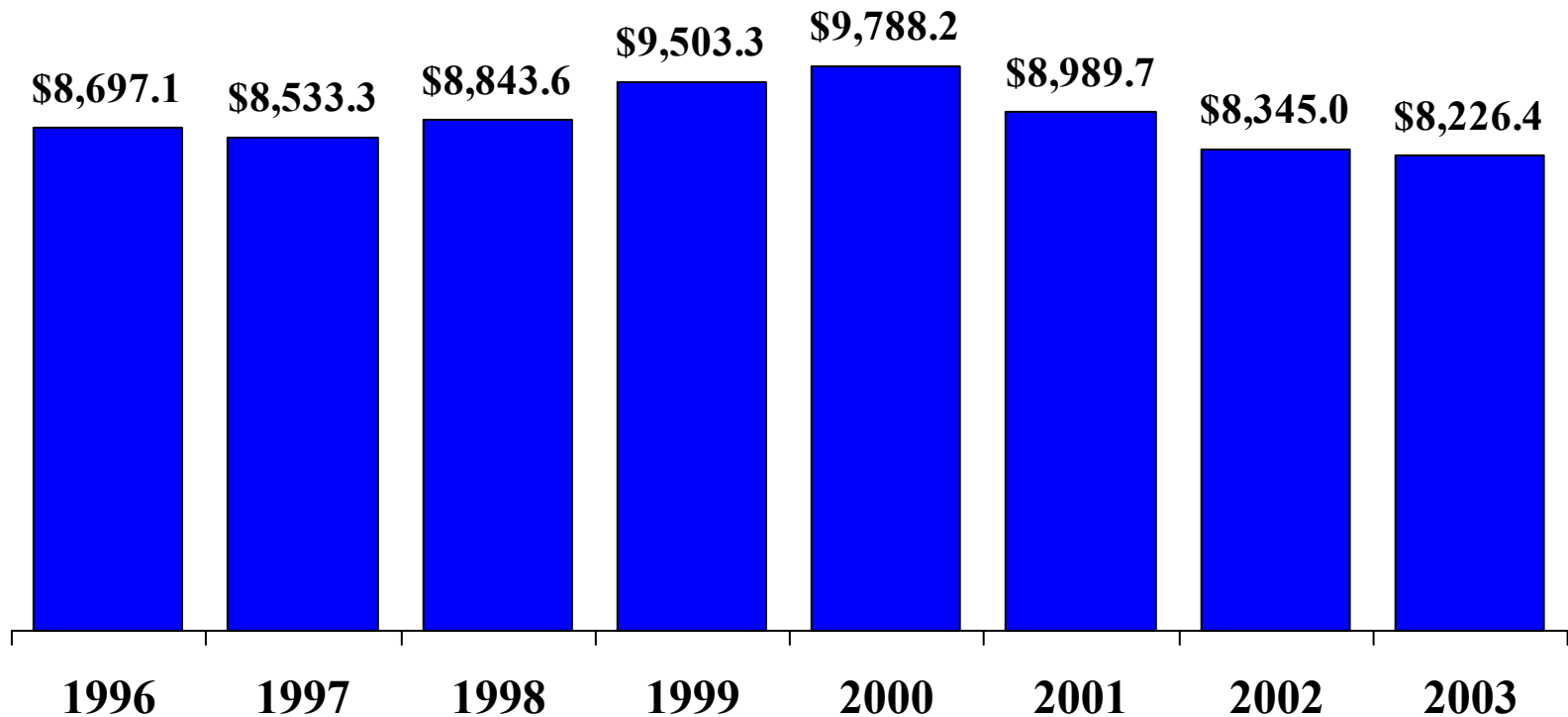
*December 5, 2002*

***“The governor, with the approval of the appropriating committees of the house and senate, shall reduce expenditures authorized by appropriations whenever it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.”***

– Art. V, Sec. 20, Michigan Constitution

# General Fund Revenue in FY 03 Will be Lower than FY 96

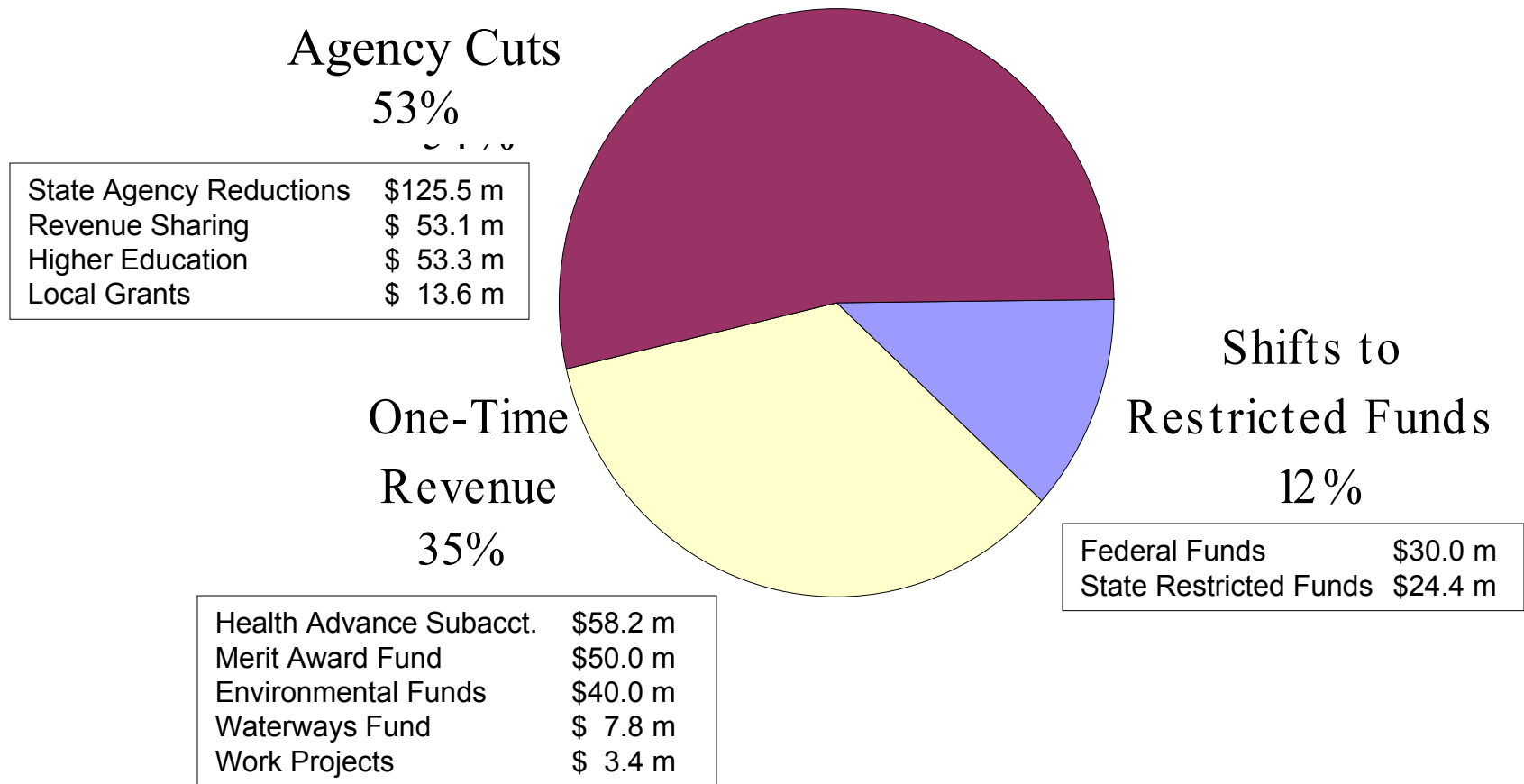
(millions)



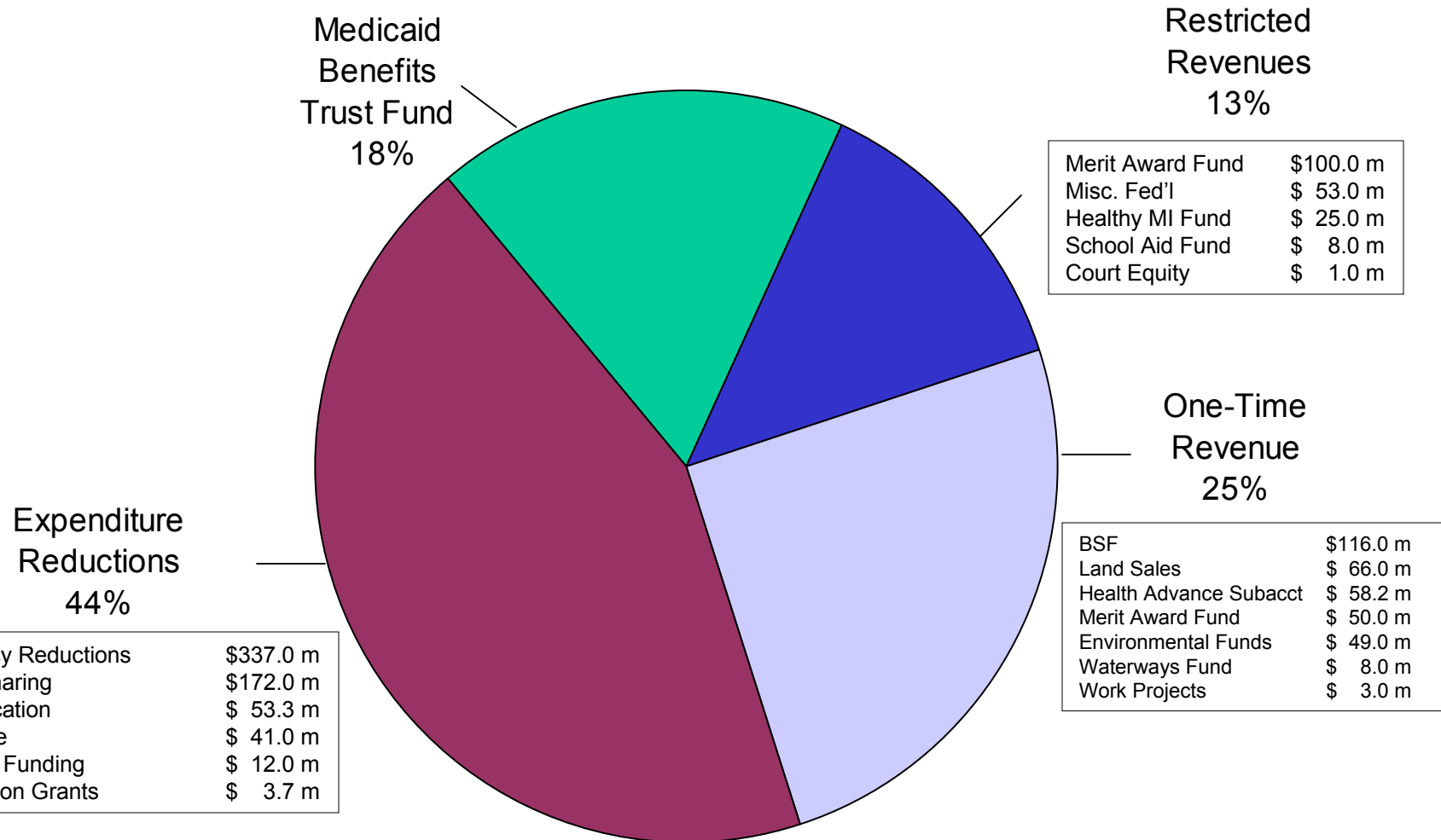
Note: Totals Exclude Transfers

Source: Office of Revenue and Tax Analysis, FY 2002 value is preliminary, FY 2003 is Administration Estimate

# Executive Order 2002-22 and Related Actions



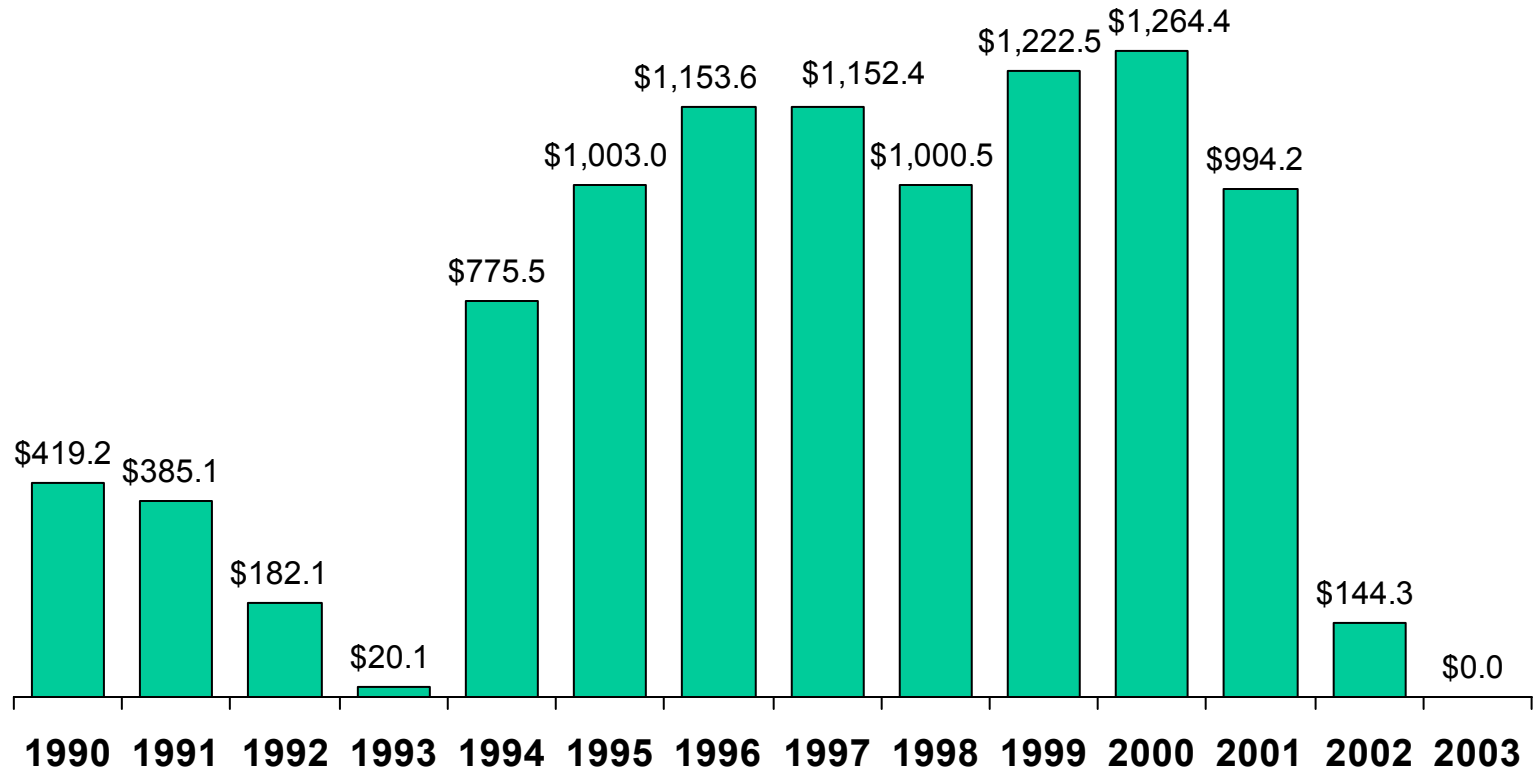
# Fiscal Year 2003 Total Cumulative GF/GP Budget Solutions <sup>1/</sup>



<sup>1</sup> Includes Executive Order 2002-22

# Budget Stabilization Fund

(Millions)



**\*2002 is Estimated**

# Budget Stabilization Fund Activity

<b>FY 2001 Actual Beginning Balance</b>	<b>\$1,264.4</b>
Actual FY 2001 Activity:	
Interest Earnings- FY 2001	\$66.8
Durant Withdrawal	(\$32.0)
Build Michigan III Withdrawal	(\$35.0)
General Fund Withdrawal	(\$270.0)
<b>FY 2002 Actual Beginning Balance</b>	<b>\$994.2</b>
Projected FY 2002 Activity:	
Interest Earnings- FY 2002 (actual)	\$20.8
Durant Withdrawal	(\$32.0)
Build Michigan III Withdrawal	(\$35.0)
General Fund Withdrawal (PA 504 of 2002)	(\$335.0)
School Aid Fund Withdrawal (PA 504 of 2002)	(\$350.0)
Withdrawal as Needed to Balance FY 2002 General Fund (PA504 of 2002)	(\$118.7)
<b>Projected FY2003 Beginning Balance</b>	<b>\$144.3</b>
Projected FY 2003 Activity:	
Interest Earnings (estimate)	\$3.6
Durant Withdrawal	(\$32.0)
General Fund Withdrawal (PA 504 of 2002)	(\$115.9)
<b>Projected FY 2003 Ending Balance</b>	<b>\$0.0</b>

# Medicaid Benefits Trust Fund

## Deposits, Withdrawals, Balance\*

	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance</u>
FY 2000	\$239	\$ 0	\$239
FY 2001	\$229	\$ 47	\$421
FY 2002	\$106	\$228	\$299
FY 2003	\$ 31	\$287	\$ 44

\*In Millions